

AN ACT

relating to the Texas emissions reduction plan fund and account.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. TEXAS EMISSIONS REDUCTION PLAN FUND AND ACCOUNT

SECTION 1.01. Section 386.001, Health and Safety Code, is amended by adding Subdivision (1) and amending Subdivision (5) to read as follows:

(1) "Account" means the Texas emissions reduction plan account established under Section 386.251.

(5) "Fund" means the Texas emissions reduction plan fund established under Section 386.250.

SECTION 1.02. Section 386.057(c), Health and Safety Code, is amended to read as follows:

(c) For projects funded as part of the infrastructure program under Subchapter C, the report must:

(1) describe and evaluate:

(A) the infrastructure facilities funded under that subchapter;

(B) the degree to which the funded facilities are supporting on-road or non-road diesel projects;

(C) the amount of fuel or electricity dispensed for each facility; and

(D) associated emissions reductions and cost-effectiveness; and

1 (2) make a finding regarding the need for additional
2 appropriations from the account [~~fund~~] to improve the ability of
3 the program to achieve its goals.

4 SECTION 1.03. The heading to Subchapter F, Chapter 386,
5 Health and Safety Code, is amended to read as follows:

6 SUBCHAPTER F. TEXAS EMISSIONS REDUCTION PLAN FUND AND ACCOUNT

7 SECTION 1.04. Subchapter F, Chapter 386, Health and Safety
8 Code, is amended by adding Section 386.250 to read as follows:

9 Sec. 386.250. TEXAS EMISSIONS REDUCTION PLAN FUND. (a) The
10 Texas emissions reduction plan fund is established as a trust fund
11 outside the state treasury to be held by the comptroller and
12 administered by the commission as trustee. Money in the fund may be
13 spent without legislative appropriation and may be used only as
14 provided by this chapter. Interest and other earnings on the
15 balance of the fund shall be credited to the fund.

16 (b) The fund consists of:

17 (1) the amount of money deposited to the credit of the
18 fund under:

19 (A) Section 386.056;

20 (B) Sections 151.0515 and 152.0215, Tax Code; and

21 (C) Sections 501.138, 502.358, and 548.5055,
22 Transportation Code; and

23 (2) grant money recaptured under Section 386.111(d)
24 and Chapter 391.

25 (c) Not later than the 30th day after the last day of each
26 state fiscal biennium, the commission shall transfer the
27 unencumbered balance of the fund remaining on the last day of the

1 state fiscal biennium to the credit of the Texas emissions
2 reduction plan account.

3 SECTION 1.05. Section 386.251, Health and Safety Code, is
4 amended to read as follows:

5 Sec. 386.251. TEXAS EMISSIONS REDUCTION PLAN ACCOUNT
6 [~~FUND~~]. (a) The Texas emissions reduction plan account [~~fund~~] is
7 an account in the state treasury.

8 (b) The account [~~fund~~] is administered by the commission for
9 the benefit of the plan established under this chapter. The account
10 [~~fund~~] is exempt from the application of Section 403.095,
11 Government Code. Interest earned on the account [~~fund~~] shall be
12 credited to the account [~~fund~~].

13 (c) The account [~~fund~~] consists of its accumulated balance
14 and [~~+~~

15 [~~(1)~~] the amount of money transferred to the account
16 under Section 386.250(c) [~~deposited to the credit of the fund~~
17 ~~under:~~

18 [~~(A)~~ Section 386.056,

19 [~~(B)~~ Sections 151.0515 and 152.0215, Tax Code,

20 ~~and~~

21 [~~(C)~~ Sections 501.138, 502.358, and 548.5055,

22 ~~Transportation Code, and~~

23 [~~(2)~~ grant money recaptured under Section 386.111(d)

24 ~~and Chapter 391~~].

25 SECTION 1.06. The heading to Section 386.252, Health and
26 Safety Code, is amended to read as follows:

27 Sec. 386.252. USE OF FUND AND ACCOUNT.

1 SECTION 1.07. Sections 386.252(a), (b), (e), (f), (g), and
2 (h), Health and Safety Code, are amended to read as follows:

3 (a) Money in the fund and account may be used only to
4 implement and administer programs established under the
5 plan. Subject to the reallocation of funds by the commission under
6 Subsection (h), money from the fund and account [~~appropriated to~~
7 ~~the commission~~] to be used for the programs under Section
8 386.051(b) shall initially be allocated as follows:

9 (1) four percent may be used for the clean school bus
10 program under Chapter 390;

11 (2) three percent may be used for the new technology
12 implementation grant program under Chapter 391, from which at least
13 \$1 million will be set aside for electricity storage projects
14 related to renewable energy;

15 (3) five percent may be used for the clean fleet
16 program under Chapter 392;

17 (4) not more than \$3 million may be used by the
18 commission to fund a regional air monitoring program in commission
19 Regions 3 and 4 to be implemented under the commission's oversight,
20 including direction regarding the type, number, location, and
21 operation of, and data validation practices for, monitors funded by
22 the program through a regional nonprofit entity located in North
23 Texas having representation from counties, municipalities, higher
24 education institutions, and private sector interests across the
25 area;

26 (5) 10 percent may be used for the Texas natural gas
27 vehicle grant program under Chapter 394;

1 (6) not more than \$6 million may be used for the Texas
2 alternative fueling facilities program under Chapter 393, of which
3 a specified amount may be used for fueling stations to provide
4 natural gas fuel, except that money may not be allocated for the
5 Texas alternative fueling facilities program for the state fiscal
6 year ending August 31, 2019;

7 (7) not more than \$750,000 may be used each year to
8 support research related to air quality as provided by Chapter 387;

9 (8) not more than \$200,000 may be used for a health
10 effects study;

11 (9) at least \$6 million but not more than \$16 [~~\$8~~]
12 million may be used by [~~is allocated to~~] the commission for
13 administrative costs, including all direct and indirect costs for
14 administering the plan, costs for conducting outreach and education
15 activities, and costs attributable to the review or approval of
16 applications for marketable emissions reduction credits;

17 (10) six percent may be used by the commission for the
18 seaport and rail yard areas emissions reduction program established
19 under Subchapter D-1;

20 (11) five percent may be used for the light-duty motor
21 vehicle purchase or lease incentive program established under
22 Subchapter D;

23 (12) not more than \$216,000 may be used by [~~is~~
24 ~~allocated to~~] the commission to contract with the Energy Systems
25 Laboratory at the Texas A&M Engineering Experiment Station annually
26 for the development and annual computation of creditable statewide
27 emissions reductions obtained through wind and other renewable

1 energy resources for the state implementation plan;

2 (13) not more than \$500,000 may be used for studies of
3 or pilot programs for incentives for port authorities located in
4 nonattainment areas or affected counties to encourage cargo
5 movement that reduces emissions of nitrogen oxides and particulate
6 matter; and

7 (14) the balance is to be used by the commission for
8 the diesel emissions reduction incentive program under Subchapter C
9 as determined by the commission.

10 (b) Money in the fund and account may be used by the
11 commission for programs under Sections 386.051(b)(13), (b)(14),
12 and (b-1) [~~as may be appropriated for those programs~~].

13 (e) Money in the fund and account may be used [~~allocated~~]
14 for administrative costs incurred by the Energy Systems Laboratory
15 at the Texas A&M Engineering Experiment Station [~~as may be~~
16 ~~appropriated by the legislature~~].

17 (f) Not [~~To the extent that money is appropriated from the~~
18 ~~fund for that purpose, not~~] more than \$2.5 million from the fund and
19 account may be used by the commission to conduct research and other
20 activities associated with making any necessary demonstrations to
21 the United States Environmental Protection Agency to account for
22 the impact of foreign emissions or an exceptional event.

23 (g) The [~~To the extent that money is appropriated from the~~
24 ~~fund for that purpose, the~~] commission may use [~~that~~] money from the
25 fund and account to award grants under the governmental alternative
26 fuel fleet grant program established under Chapter 395, except that
27 the commission may not use for that purpose more than three percent

1 of the balance of the fund as of September 1 of each state fiscal
2 year of the biennium for the governmental alternative fuel fleet
3 grant program in that fiscal year.

4 (h) Subject to the limitations outlined in this section [~~and~~
5 ~~any additional limitations placed on the use of the appropriated~~
6 ~~funds~~], money allocated under this section to a particular program
7 may be used for another program under the plan as determined by the
8 commission, based on demand for grants for eligible projects under
9 particular programs after the commission solicits projects to which
10 to award grants according to the initial allocation provisions of
11 this section.

12 SECTION 1.08. Section 395.011, Health and Safety Code, is
13 amended to read as follows:

14 Sec. 395.011. FUNDING. The legislature may appropriate
15 money to the commission from the Texas emissions reduction plan
16 account [~~fund~~] established under Section 386.251 to administer the
17 program.

18 SECTION 1.09. The amendments to Section 386.251, Health and
19 Safety Code, made by this article do not affect the balance of the
20 Texas Emissions Reduction Plan Account No. 5071 remaining on
21 September 1, 2021.

22 SECTION 1.10. This article takes effect September 1, 2021.

23 ARTICLE 2. FUNDING SOURCES

24 SECTION 2.01. Section 151.0515(d), Tax Code, is amended to
25 read as follows:

26 (d) This section expires on the last day of the state fiscal
27 biennium during which the Texas Commission on Environmental Quality

1 publishes in the Texas Register the notice required by Section
2 382.037, Health and Safety Code [~~August 31, 2019~~].

3 SECTION 2.02. Section 152.0215(c), Tax Code, is amended to
4 read as follows:

5 (c) This section expires on the last day of the state fiscal
6 biennium during which the Texas Commission on Environmental Quality
7 publishes in the Texas Register the notice required by Section
8 382.037, Health and Safety Code [~~August 31, 2019~~].

9 SECTION 2.03. Section 501.138(b-3), Transportation Code,
10 is amended to read as follows:

11 (b-3) This subsection and Subsection (b-2) expire on the
12 last day of the state fiscal biennium during which the Texas
13 Commission on Environmental Quality publishes in the Texas Register
14 the notice required by Section 382.037, Health and Safety Code
15 [~~August 31, 2019~~].

16 SECTION 2.04. Section 502.358(c), Transportation Code, is
17 amended to read as follows:

18 (c) This section expires on the last day of the state fiscal
19 biennium during which the Texas Commission on Environmental Quality
20 publishes in the Texas Register the notice required by Section
21 382.037, Health and Safety Code [~~August 31, 2019~~].

22 SECTION 2.05. The heading to Section 548.5055,
23 Transportation Code, is amended to read as follows:

24 Sec. 548.5055. TEXAS EMISSIONS [~~EMISSION~~] REDUCTION PLAN
25 FEE.

26 SECTION 2.06. Sections 548.5055(b) and (c), Transportation
27 Code, are amended to read as follows:

President of the Senate

Speaker of the House

I certify that H.B. No. 3745 was passed by the House on May 2, 2019, by the following vote: Yeas 139, Nays 0, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3745 on May 23, 2019, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3745 on May 26, 2019, by the following vote: Yeas 145, Nays 1, 1 present, not voting.

Chief Clerk of the House

H.B. No. 3745

I certify that H.B. No. 3745 was passed by the Senate, with amendments, on May 22, 2019, by the following vote: Yeas 27, Nays 4; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3745 on May 26, 2019, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor